



The Commonwealth of Massachusetts

**DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY**

MEMORANDUM

TO: Service List

FROM: William H. Stevens, Jr., Hearing Officer

RE: NSTAR Electric, D.T.E. 03-121
(Examination on Rochester Gas and Electric Corporation Standby Service
Tariff, Service Classification No. 14)

DATE: April 20, 2004

CC: Mary Cottrell, Secretary
Staff as assigned

ATT: Rochester Gas and Electric Corporation Standby Service Tariff, Service
Classification No. 14 (Leaf nos 237-250) (Effective February 6, 2004)
(New York)

In Competitive Market Initiatives, D.T.E. 01-54, at 11 (2001), the Department has concluded that “[t]he lack of uniformity and uncertainty regarding interconnection standards and standby rates could be inhibiting the installation of distributed generation in Massachusetts” The Department has stated that, in addition to investigating the proposed specific NSTAR Electric tariffs, it would also investigate other issues that would apply uniformly to NSTAR and all electric distribution companies, such as whether: (1) distribution companies should recover their costs through fixed or variable charges; (2) standby rates should reflect embedded and/or incremental costs; and (3) distribution companies should offer firm and non-firm standby service. NSTAR Electric, D.T.E. 03-121, Notice (January 20, 2004). In light of the scope of this investigation, the record would be more complete if it included testimony comparing NSTAR Electric’s standby tariffs’ design to a standby tariff design accepted in another jurisdiction.

Accordingly, the Department hereby notifies the parties of this proceeding that Department Staff will examine witnesses to this proceeding on the following tariff, as it may relate to the Department’s consideration of the design of the NSTAR Electric tariffs in this proceeding: Rochester Gas and Electric Corporation Standby Service Tariff, Service

Classification No. 14 (Leaf nos. 237 through 250), effective February 6, 2004 (“Rochester Tariff”). 220 C.M.R. § 1.06(h). This tariff is a compliance filing to Rochester Gas and Electric Corporation, Case 02-E-0551 (2003) (New York Public Service Commission). The Department requests that witnesses be prepared to respond to the following issues:

- (a) Please refer to the provision on leaf no. 237 of the Rochester Tariff that exempts on-site generation (“OSG”) customers with a total nameplate rating equal to, or expected to be equal to, fifteen percent or less of that OSG customer’s maximum potential demand served by all sources. Would such a provision be a viable option for the proposed NSTAR tariffs? If such a provision was incorporated into the proposed NSTAR Electric tariffs explain how it would it help, hinder, or have no effect on the distributed generation market.
- (b) Please refer to the provision on leaf no. 237 of the Rochester Tariff that allows an OSG customer to “opt-out” of the standby rates, provided that OSG customer “electrically isolates” its facility from the distribution company’s delivery system. Would such a provision be a viable option for the proposed NSTAR tariffs? If such a provision was incorporated into the proposed NSTAR Electric tariffs explain how it would it help, hinder, or have no effect on the distributed generation market.
- (c) Please refer to the “Phase-In” provisions on leaf nos. 240-245 of the Rochester Tariff that phases in the standby rates for existing OSG customers as well as OSG customers that use certain technologies and/or fuels for producing electricity. Would such a provision be a viable option for the proposed NSTAR Electric tariffs? If such a provision was incorporated into the proposed NSTAR Electric tariffs explain how it would it help, hinder, or have no effect on the distributed generation market.
- (d) Please refer to the “Term” provision on leaf no. 244 of the Rochester Tariff. Would such a provision be a viable option for the proposed NSTAR Electric tariffs? If such a provision was incorporated into the proposed NSTAR Electric tariffs explain how it help, hinder, or have no effect on the distributed generation market.
- (e) Please refer to the “Maintenance Schedules” provision on leaf no. 248 of the Rochester Tariff. Would such a provision be a viable option for the proposed NSTAR Electric tariffs? If such a provision was incorporated into the proposed NSTAR Electric tariffs explain how it would it help, hinder, or have no effect on the distributed generation market.

A copy of the Rochester Tariff is attached.